Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

Sept. 28, 2006

Contents

The next release is October 5, '06

Weekly Highlights

As the corn and soybean harvests continue, the Grain Transportation Report will focus on the implications for agricultural transportation. This week's topics include the ocean rate downturn, an increase in upbound empty barges, and rail grain carloadings.

Ocean Rate Downturn Favors Pacific Northwest (PNW) Ports…

As of September 26, U.S. Gulf-to Japan and PNW-to-Japan **ocean rates** were $49.50 and $36.90, 4 and 6 percent below the previous week. Despite the fall in rates, the ocean spread has increased to $12.60 and now favors PNW ports for grain exports. For the week of September 21, **PNW grain inspections** for the week ending September 21, increased by 33 percent from the previous week.

...And Coincides with a Continued Reduction in Fuel Prices

This fall in ocean rates coincides with a continued reduction in **fuel prices.** Fuel prices have fallen for the 6th consecutive week. As of September 25, the average U.S. diesel fuel price per gallon fell to $2.60, falling 44 cents 14 percent, since August 21.

Mississippi River System Conditions Continue To Improve…

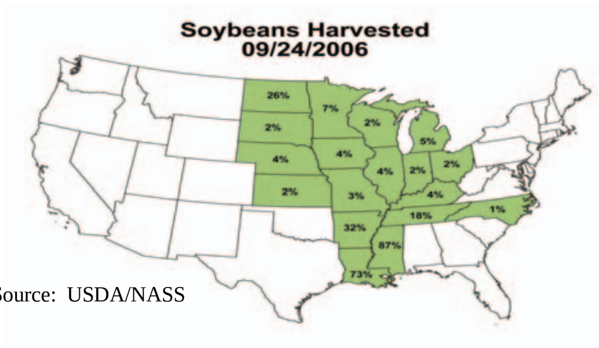
Due to recent rainfall, water levels on the river system improved—water levels at Ohio Locks and Dam 52 were sufficient to allow barge traffic to pass over the dam without the time-consuming use of locks. During the week beginning September 24, the St. Louis gage ranged from 0.0 to 2.0 feet. The St. Louis gage is expected to drop, and the Memphis gage is expected to rise to 16 feet by the end of the week.

…Grain Barge Volumes Transiting Locks and Dam 27 (L&D 27) Increased

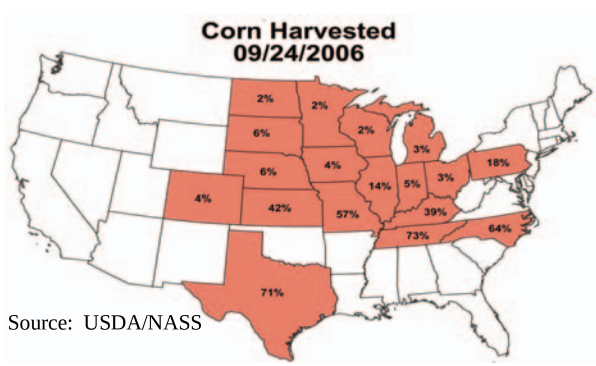
Grain barge volumes for the week ending September 23, increased to 582,000 tons—10 percent more than the previous week. The most significant increase was at **L&D 27**, where 492,000 tons of grain transited—39 percent more than the previous week due to higher corn shipments. **Barge rates** increased moderately from the previous week. The Upper Mississippi River Index increased to 581 from 540, and Illinois River—501 from 480. Barge rates may show a seasonal increase as the harvest progresses, but their rise may be offset somewhat by the fall in fuel prices.

Corn and Soybean Harvest Ahead of Schedule in Some States

Although overall U.S. corn and soybean harvests are slightly below average for the week ending September 24, some states are ahead of schedule. The soybean harvest was significantly ahead of schedule in North Dakota. Harvest in that state was 26 percent complete (see map on the right)— 15 percent higher than the 5-year average. The soybean harvest in Louisiana, Arkansas, and Tennessee was 27, 10, and 8 percent above average. Soybean production in these four states was 331 million bushels (mbu) in 2006—almost 11 percent of U.S soybean crop. The corn harvest progressed ahead of schedule in Missouri— 9 percent higher than the 5-year average (see map on the left). Missouri produced 330 mbu of corn in 2006—over 3 percent of U.S. corn production.



Source: USDA/NASS



Source: USDA/NASS

Upbound Empty Barges Reposition As Harvest Progresses

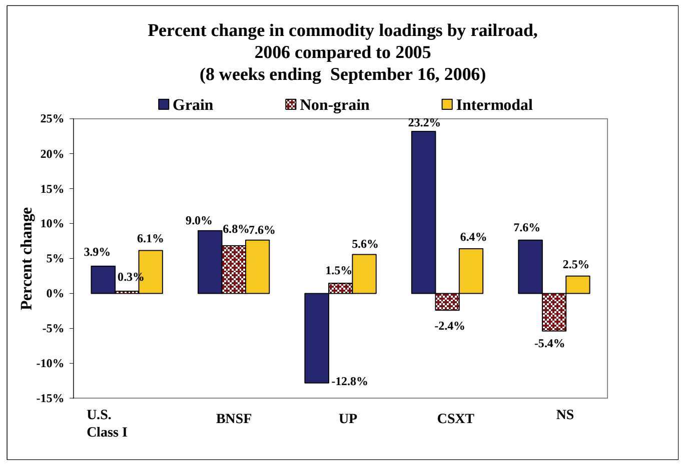
The number of **upbound empty barges** passing through Locks and Dam 27, near St. Louis, MO, increased significantly this week. Barge empties comprised nearly 57 percent of all upbound barge traffic—up from 41 percent the previous week. This is good timing as corn and soybean harvests in the Midwest gain speed.

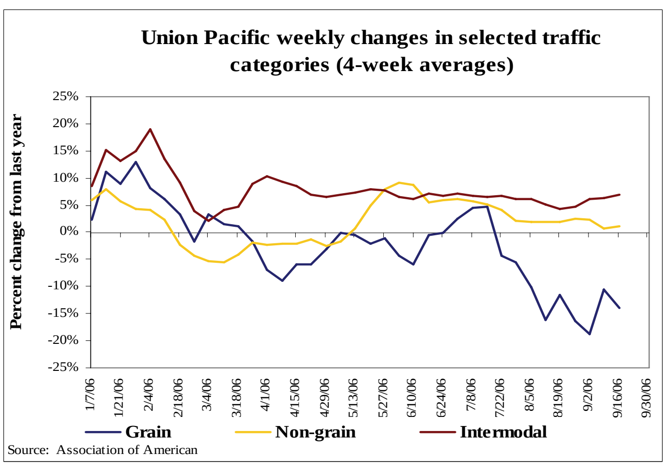
Panamanians Support Proposed Panama Canal Expansion

A poll conducted on September 22 indicated 63.9 percent of Panama's 2.1 million registered voters will support the Panama Canal expansion referendum which is scheduled for October 22. If approved, the expansion project is scheduled to be completed in 2014 or 2015. The expansion will include a new set of locks, 427 meters (m) long, 55m wide and 18.3m deep, which will open the waterway up to the largest ships under construction and facilitate easier movement of cargo between the U.S. and the Pacific Rim. It will also generate additional revenue for the Panama Canal authority.

Union Pacific Grain Carloadings Below Last Year's Levels

As compared to the same period last year, grain shipments have increased more than non-grain and intermodal shipments for three of the top four U.S. grain-hauling railroads in the 8 weeks ending September 16 (see figure on the right). Union Pacific (UP), however, has increased non-grain and intermodal shipments by 1.5 and 5.6 percent. One factor that could partially explain the reduced number of UP grain carloadings has been the drought in the Southern Plains states during the last two years. Calendar year 2005 grain production in NM, OK, and TX was down nearly 96 million bushels (13 percent) from 2004. In addition, 2006 wheat production in KS, OK, and TX was down nearly 200 million bushels (33 percent), which could explain why the trend is much more pronounced since July (see figure below).





Sep. 27-29, '06	Texas Biodiesel Conference and Expo	Austin, TX	512-358-1002
Oct. 3, '06	Nebraska Workshop: Capturing More Direct Ship Bushels	Grand Island, NE	402-476-6174
Oct. 3-4, '06	Oklahoma Conference on Biofuels	Norman, OK	800-203-5494
Oct. 10-12, '06	Advancing Renewable Energy Conference	St. Louis, MO	202-720-4623
Oct. 10-13, '06	Contracting U.S. Soybeans and Harvest Tour	Fargo, ND	701-231-7736
Oct. 11-13, '06	American Waterways Operators Fall Convention	Seattle, WA	206-262-7308
Oct. 14-17, '06	Atlantic Seed Association Annual Meeting	Toronto, Canada	240-631-6946
Oct. 18-20, '06	Waterways Symposium	Nashville, TN	703-373-2261
Nov. 4-7, '06	Western Seed Association Meeting and ASTA Farm and Lawn Seed Meeting	Kansas City, MO	703-837-8140
Nov. 10-15, '06	TransComp 2006 Annual Meeting	Ft. Lauderdale, FL	703-524-5011
Nov. 12, '06	American Society of Transportation and Logistics Annual Meeting	Ft. Lauderdale, FL	703-524-5011
Nov. 16-17, '06	21st Annual Fall Outlook Conference	Memphis, TN	901-766-4479
Nov. 29-Dec. 1, '06	2006 National Soybean Rust Symposium	St. Louis, MO	800-444-2326
Nov. 29-Dec. 1, ‘06	International Workboat Show	New Orleans, LA	207-842-5500
Nov. 30-Dec. 1, '06	10th Annual Canadian Fall Outlook Conference	Calgary, Canada	204-925-7070
Dec. 3-5, '06	NGFA's Annual Country Elevator/Feed Industry Conference & Trade Show	Kansas City, MO	202-289-0873
Dec. 6-8, '06	61st Corn & Sorghum and Soybean Seed Research Conference and Seed Expo	Chicago, IL	703-837-8140
Dec. 6', '06	Grain Elevator and Processing Society (GEAPS) Cornbelt Chapter Meeting	Bloomington, IL	309-698-5611

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
09/27/06	174	97	323	221	262
09/20/06	182	308	300	230	280

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

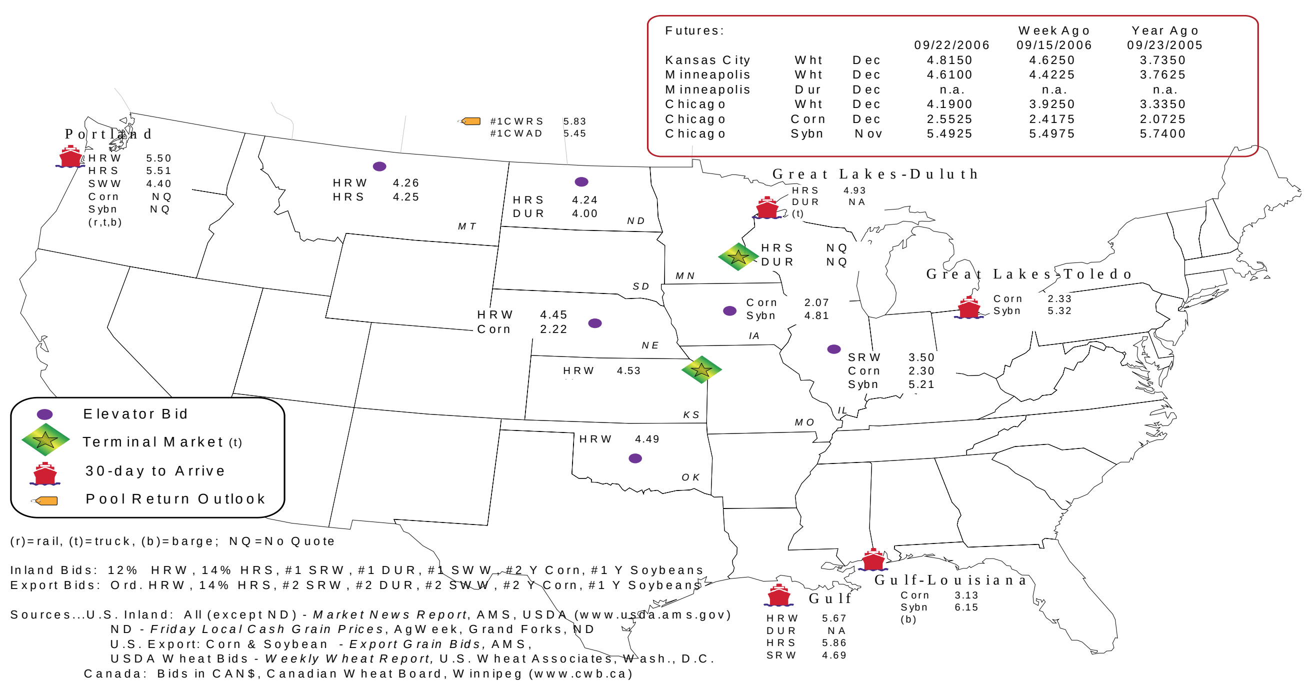
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	9/22/2006	9/15/2006
Corn	IL--Gulf	-0.83	-0.86
Corn	NE--Gulf	-0.91	-0.94
Soybean	IA--Gulf	-1.34	-1.30
HRW	KS--Gulf	-1.14	-1.13
HRS	ND--Portland	-1.27	-1.31

Note: nq = no quote
Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
9/20/2006[p]	2,786	1,831	1,104	3,847	687	10,255
9/13/2006[r]	2,703	1,725	843	3,393	832	9,496
2006 YTD	62,964	75,127	32,756	153,092	17,918	341,857
2005 YTD	30,359	69,638	44,352	157,488	8,704	310,541
2006 YTD as % of 2005 YTD	207	108	74	97	206	110
Last 4 weeks as % of 2005 [3]	599	67	108	97	383	120
Last 4 weeks as % of 4-year avg.[3]	n/a	85	119	137	907	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

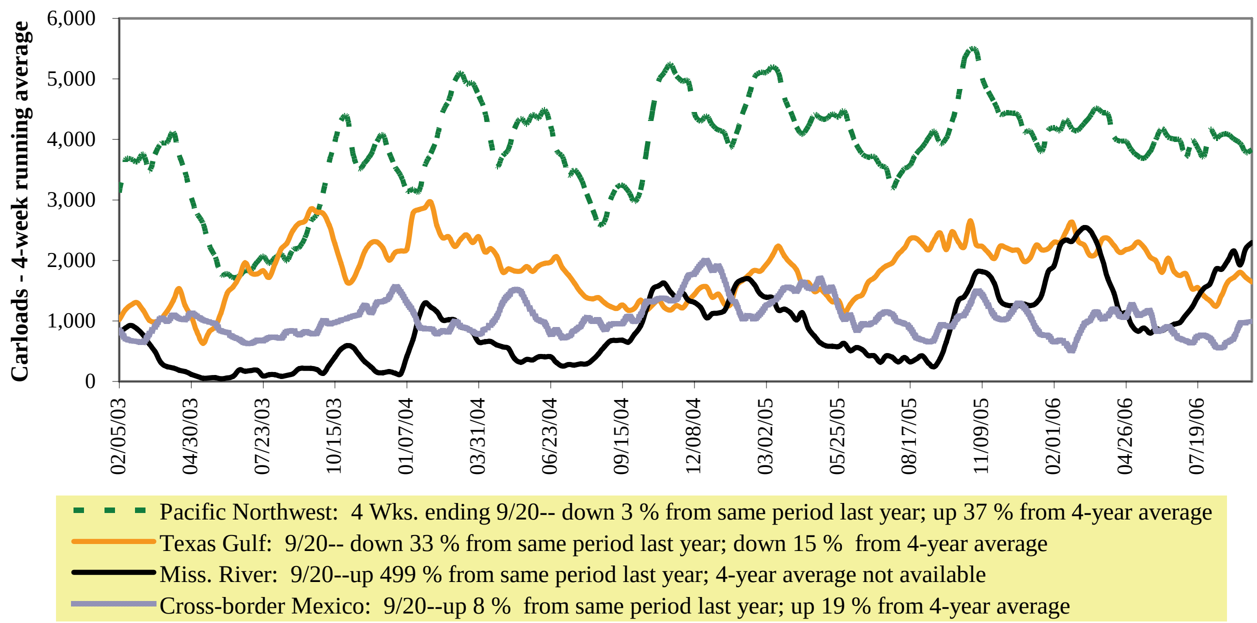
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

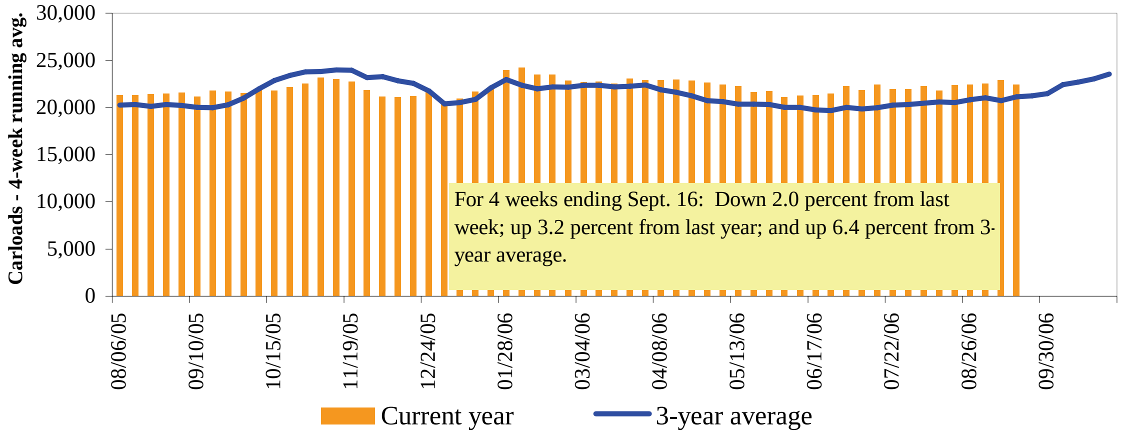
	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
09/16/06	2,987	3,178	9,258	308	5,797	21,528	5,636	4,018
This week last year	2,701	3,327	9,372	492	7,302	23,194	4,294	3,518
2006 YTD	114,383	119,483	361,451	20,844	216,146	832,307	177,863	160,647
2005 YTD	106,719	119,441	335,082	21,148	223,287	805,677	151,737	147,418
2006 YTD as % of 2005 YTD	107	100	108	99	97	103	117	109
Last 4 weeks as % of 2005[1]	122	102	110	115	86	103	132	111
Last 4 weeks as % of 3-yr avg.[1]	137	106	114	97	86	106	138	111
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period							
9/23/2006	Nov-06	Nov-05	Dec-06	Dec-05	Jan-07	Jan-06	Feb-07	Feb-06
BNSF[3]								
COT grain units	no offer	588	no offer	568	no offer	472	no offer	n/a
COT grain single-car[5]	no offer	n/a	no offer	n/a	0 . . 3	n/a	no offer	n/a
UP[4]								
GCAS/Region 1	no offer	no offer	no offer	no offer	no offer	no offer	no offer	n/a
GCAS/Region 2	no offer	no offer	no offer	no offer	no offer	no offer	no offer	n/a

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

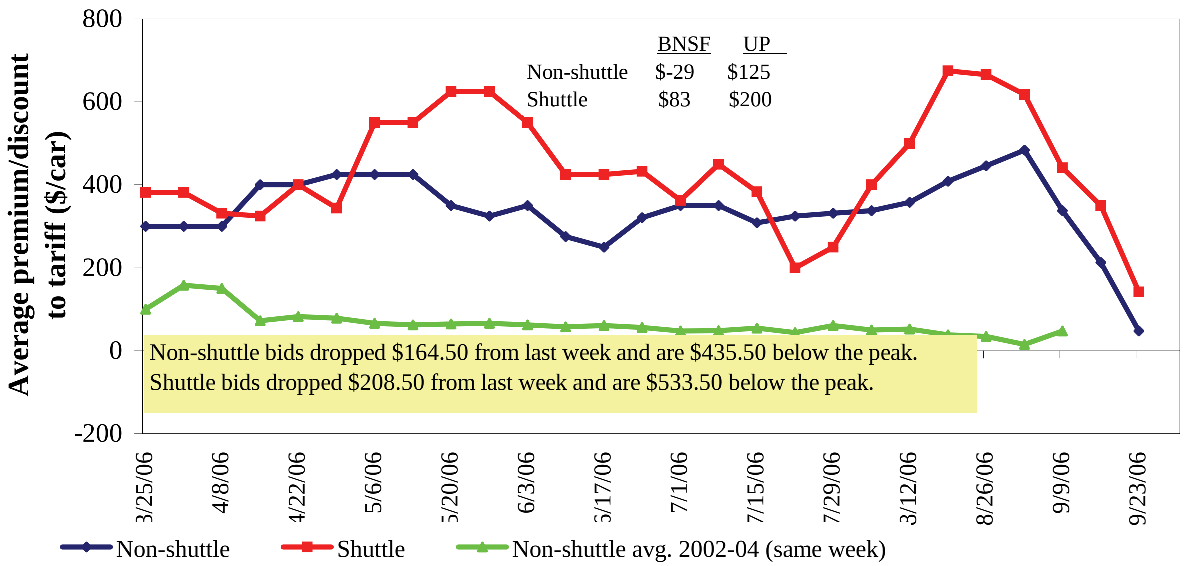
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market



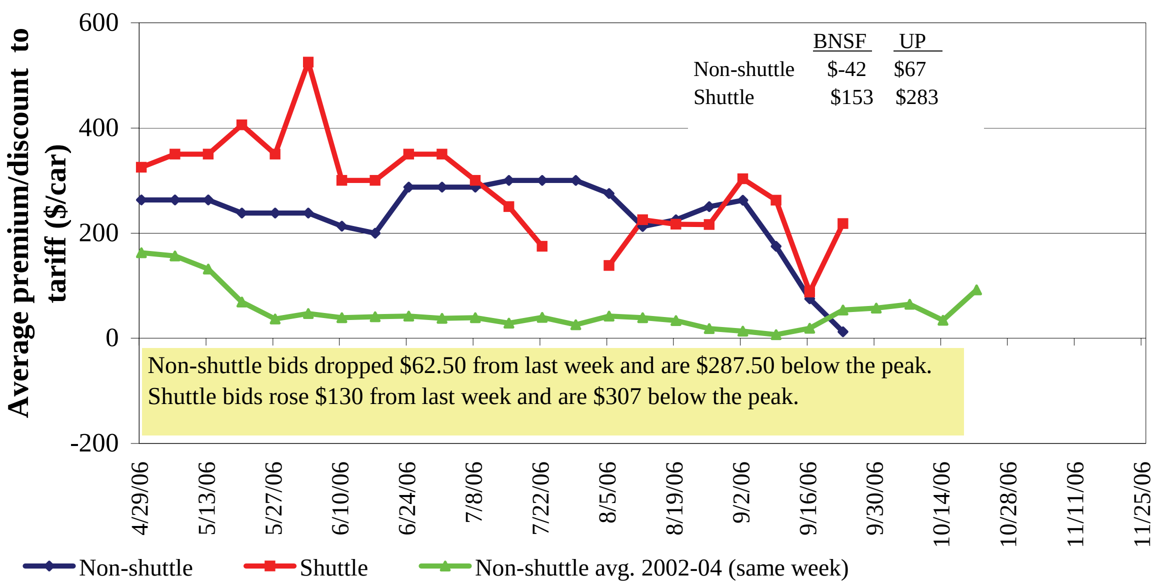
Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in November 2006, Secondary Market



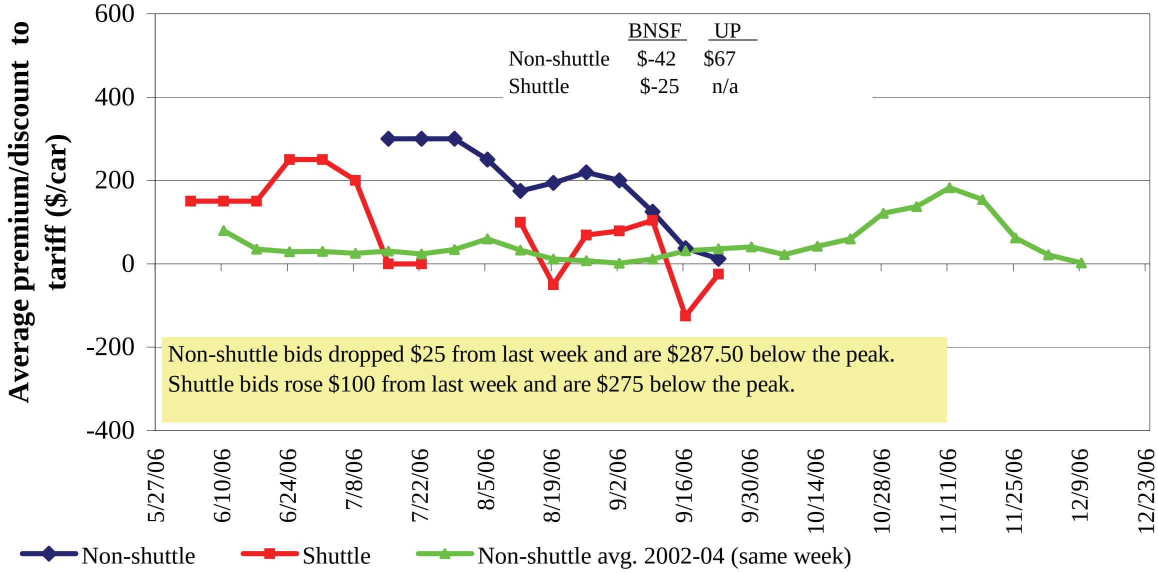
Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in December 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
9/23/2006	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
Non-shuttle						
BNSF-GF	-29	-42	-42	0	n/a	n/a
Change from last week	-79	33	33	n/a	n/a	n/a
Change from same week 2005	n/a	-859	-692	-400	n/a	n/a
UP-Pool	125	67	67	0	n/a	n/a
Change from last week	-250	-158	-83	n/a	n/a	n/a
Change from same week 2005	n/a	-700	-533	-275	n/a	n/a
Shuttle[2]						
BNSF-GF	83	153	-25	0	n/a	n/a
Change from last week	-167	65	100	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	200	283	n/a	n/a	n/a	n/a
Change from last week	-250	n/a	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 9/4/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$2,175	117	$23.97	$0.65
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	104	$27.12	$0.74
	South Central, ND	Houston, TX	$4,449	113	$49.04	$1.33
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	93	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	100	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.78
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.74
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.71
	Minneapolis, MN	Portland, OR	$3,250	87	$35.82	$0.98
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.56
	Council,Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.08
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle Train						
Wheat	St. Louis, MO	Houston, TX	$1,920	105	$21.16	$0.58
	Minneapolis, MN	Portland, OR	$3,540	91	$39.02	$1.06
Corn	Fremont, NE	Houston, TX	$2,268	98	$25.00	$0.68
	Minneapolis, MN	Portland, OR	$3,096	102	$34.13	$0.93
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date:	09/04/06				**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size[1]**	**Tariff rate[2]**	**same month last year**	**Rate per metric ton**	**Rate per bushel[3]**
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623\[4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364\[4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764\[4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

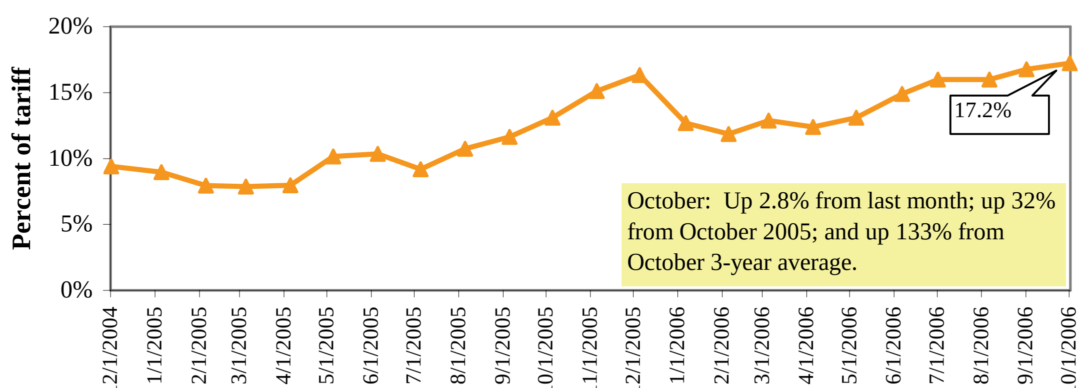
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



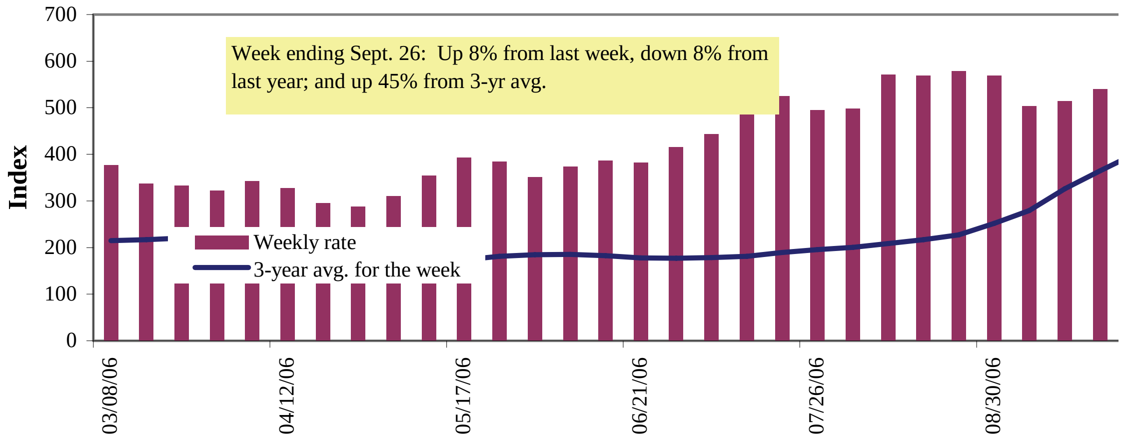
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	9/26/2006	591	572	581	501	528	529	421
	9/20/2006	588	552	540	480	531	532	426
$/ton	9/26/2006	36.58	30.43	26.96	19.99	24.76	21.37	13.22
	9/20/2006	36.40	29.37	25.06	19.15	24.90	21.49	13.38
Current week % change from the same week:								
	Last year	8	-6	-8	-30	-18	-19	-41
	3-year avg. [2]	62	48	45	19	30	29	0
Index	October	618	602	597	546	600	600	499
	December	n/a	n/a	460	415	437	437	395

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

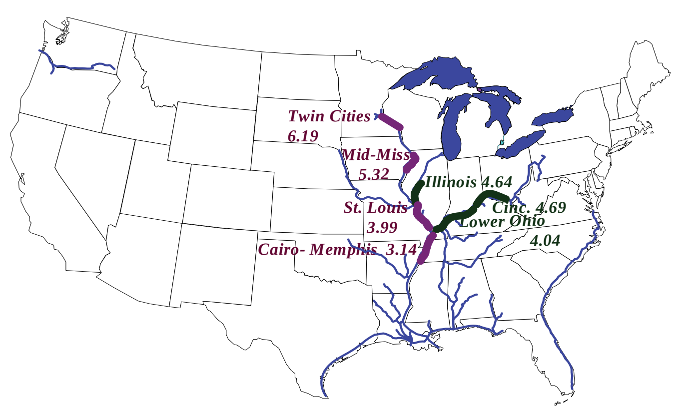
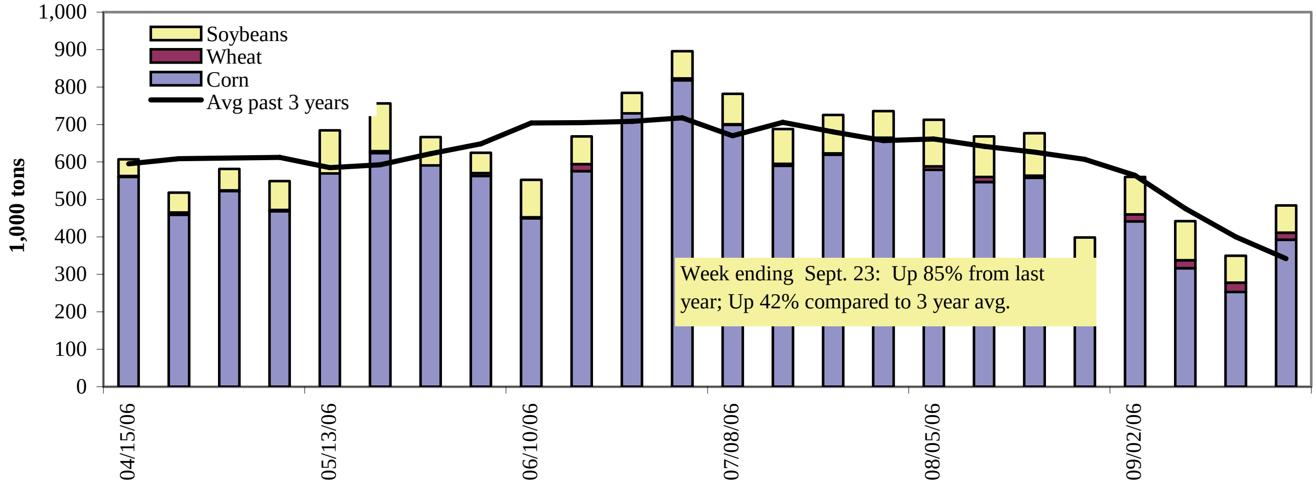


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 9/23/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	148	3	17	4	172
Winfield, MO (L25)	243	18	36	5	301
Alton, IL (L26)	420	19	84	8	531
Granite City, IL (L27)	392	19	73	8	492
Illinois River (L8)	144	3	46	2	196
Ohio River (L52)	44	11	16	0	70
Arkansas River (L1)	1	6	6	6	20
Weekly total - 2006	438	36	94	14	582
Weekly total - 2005	321	13	48	4	387
2006 YTD[1]	19,576	1,126	4,639	518	25,859
2005 YTD	17,515	1,354	4,769	512	24,150
2006 as % of 2005 YTD	112	83	97	101	107
Last 4 weeks as % of 2005[2]	112	120	199	102	123
Total 2005	23,761	1,620	7,276	731	33,388

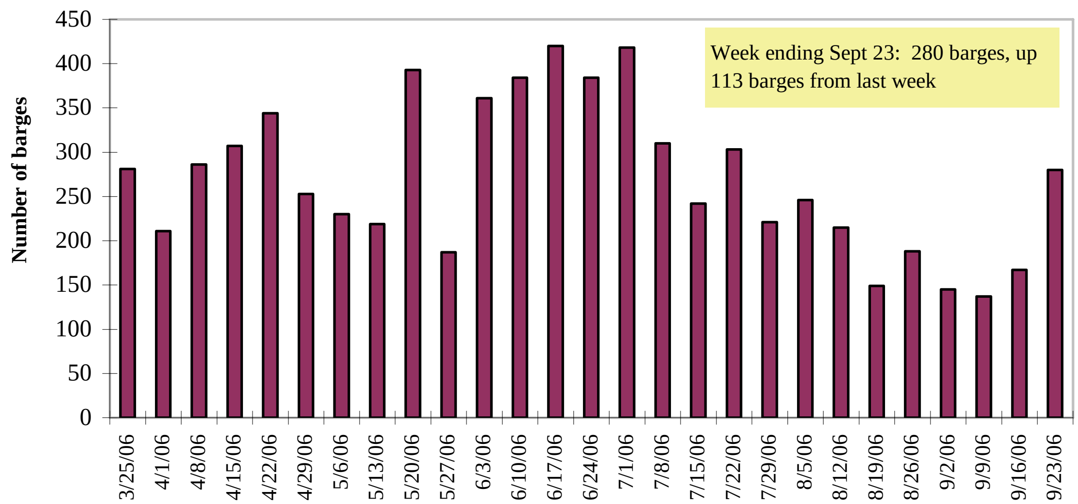
[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

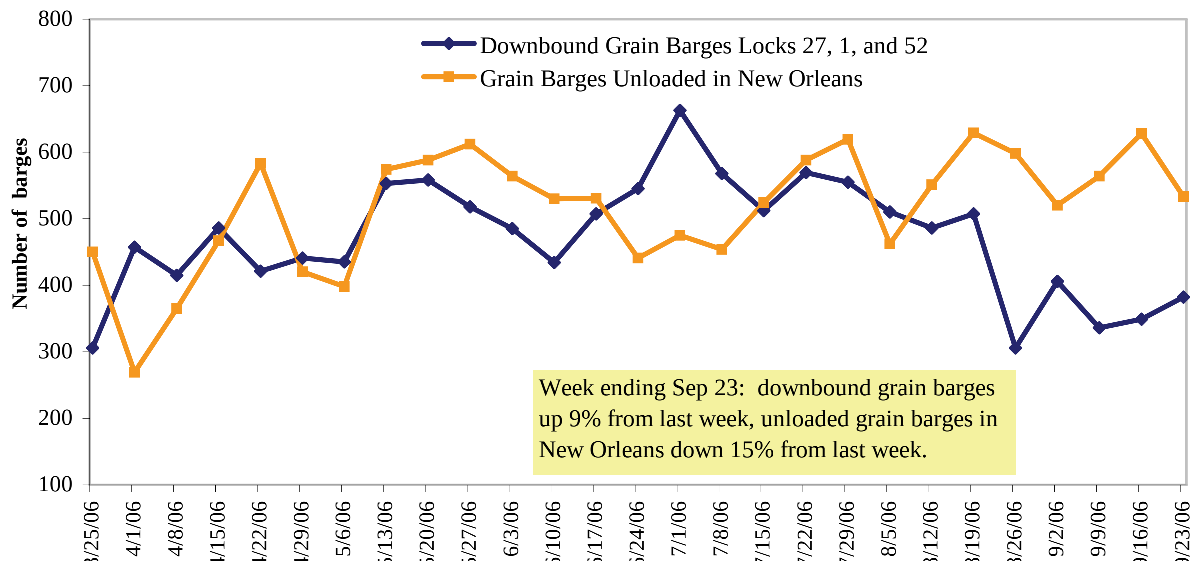
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12
Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 9/25/06 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.600	-0.099	-0.208
	New England	2.730	-0.102	-0.129
	Central Atlantic	2.746	-0.098	-0.129
	Lower Atlantic	2.526	-0.099	-0.249
II	Midwest[1]	2.506	-0.118	-0.233
III	Gulf Coast[2]	2.526	-0.110	-0.230
IV	Rocky Mountain	2.827	-0.225	-0.111
V	West Coast	2.892	-0.122	-0.086
	California	2.910	-0.092	-0.121
Total	U.S.	2.595	-0.118	-0.203

[1]Diesel fuel prices include all taxes.

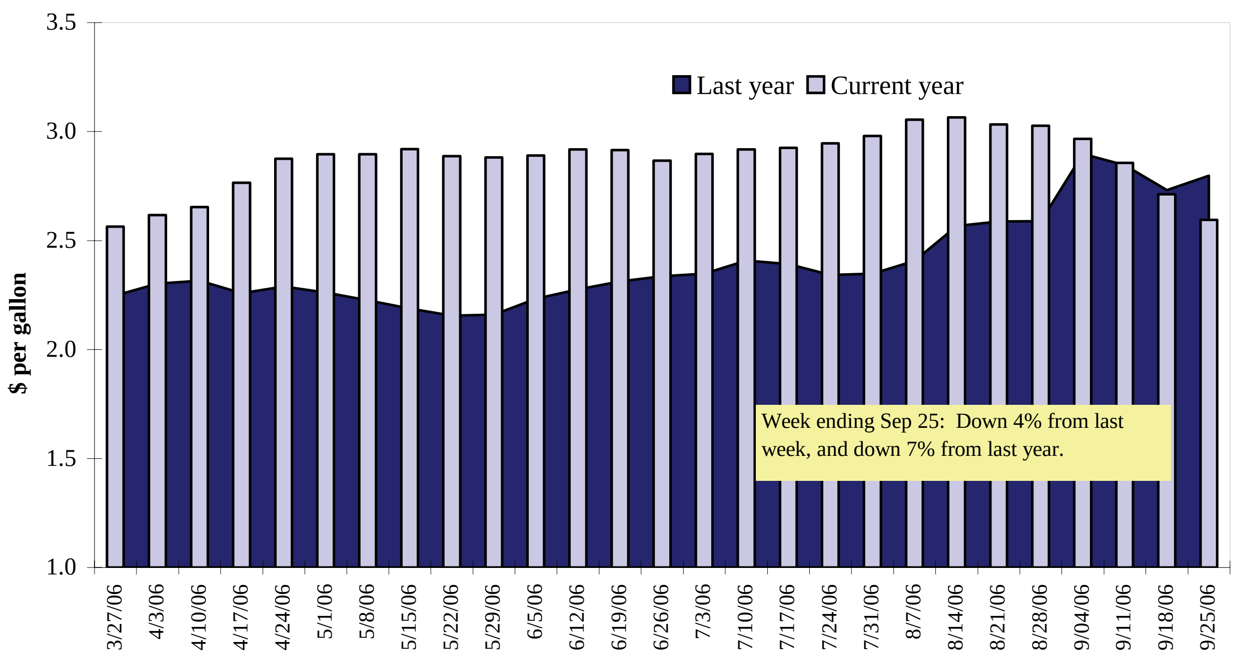
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
9/14/2006	698	648	980	851	157	3,334	11,138	7,409	21,881
This week year ago	2,496	389	1,281	993	94	5,252	7,818	5,017	18,087
Cumulative exports-crop year [2]									
2006/07 YTD	1,743	1,062	1,952	1,370	276	6,403	2,496	569	9,468
2005/06 YTD	3,233	690	2,317	918	259	7,417	1,351	312	9,080
YTD 2006/07 as % of 2005/06	54	154	84	149	107	86	185	182	104
Last 4 wks as % of same period 2005/06	31	147	81	78	209	64	91	81	81
2005/06 Total	10,459	2,037	7,244	4,159	930	24,828	54,354	25,570	104,752
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat, corn, and soybeans

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 09/14/06	**Total Commitments**[2]		**% change**	**Exports**[3]
	2006/07	**2005/06**	**current CY**	
Crop Year (CY)	**Current CY**	**Last CY**	**from last CY**	**2005/06**
	- 1,000 mt -			- 1,000 mt -
Japan	4,216	2,703	56	16,474
Mexico	2,436	1,720	42	6,653
Korea	1,012	587	73	5,573
Taiwan	1,313	951	38	4,951
Egypt	893	791	13	4,298
Top 5 importers	**9,871**	**6,751**	**46**	**37,949**
Total US corn export sales	**12,531**	**8,732**	**43**	
Top 5 importers' share of U.S. corn export sales	79%	77%		
USDA forecast, Sep. 2006	**57,150**	**54,610**	**5**	
Corn Use for Ethanol USDA forecast, Aug. 2006	**54,610**	**40,640**	**34**	

(n) indicates negative number.

[1]Based on FAS 20005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 09/14/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
China	3,407	1,025	232	9,706
Mexico	552	801	(31)	3,594
Japan	874	673	30	3,019
Taiwan	399	286	39	1,850
Indonesia	102	154	(34)	1,211
Top 5 importers	**5,334**	**2,939**	**81**	**19,381**
Total US soybean export sales	**7,978**	**5,328**	**50**	
Top 5 importers' share of U.S. soybean export sales	67%	55%		
USDA forecast, Sep. 2006	**30,620**	**25,700**	**19**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 09/14/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,116	1,954	(43)	3,098
Japan	1,383	1,406	(2)	3,061
Mexico	1,003	1,371	(27)	2,625
Iraq	0	803	(100)	1,237
Philippines	1,021	725	41	1,878
Egypt	812	648	25	1,952
Korea, South	512	520	(2)	1,191
Venezuela	305	379	(19)	1,085
Taiwan	390	391	(0.3)	953
Italy	338	354	(4)	748
Top 10 importers	**6,879**	**8,550**	**(20)**	**17,827**
Total US wheat export sales	**9,737**	**11,874**	**(18)**	
Top 10 importers' share of U.S. wheat export sales	71%	72%		
USDA forecast, Sep. 2006	**24,490**	**27,460**	**(11)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 09/21/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	201	7,810	7,375	106	91	75	10,801
Corn	120	7,595	7,738	98	76	101	10,130
Soybeans	122	3,352	3,582	94	253	555	6,225
Total	**443**	**18,757**	**18,694**	**100**	**95**	**100**	**27,156**
Mississippi Gulf							
Wheat	69	3,058	3,660	84	129	51	4,643
Corn	725	26,534	19,672	135	227	145	28,202
Soybeans	182	9,273	9,338	99	166	112	14,793
Total	**976**	**38,865**	**32,670**	**119**	**204**	**123**	**47,638**
Texas Gulf							
Wheat	71	4,049	5,379	75	32	37	7,743
Corn	44	1,788	492	363	174	413	812
Soybeans	0	27	6	470	n/a	n/a	36
Total	**115**	**5,864**	**5,877**	**100**	**51**	**64**	**8,591**
Great Lakes							
Wheat	51	930	1,470	63	37	40	2,067
Corn	36	1,276	313	408	569	348	796
Soybeans	6	68	27	249	n/a	128	828
Total	**93**	**2,274**	**1,810**	**126**	**84**	**85**	**3,691**
Atlantic							
Wheat	57	428	231	185	188	292	301
Corn	0	505	84	602	78	196	249
Soybeans	0	327	470	69	38	218	801
Total	**57**	**1,260**	**786**	**160**	**130**	**218**	**1,352**
U.S. total from ports[2]							
Wheat	449	16,274	18,116	90	67	58	25,556
Corn	925	37,699	28,299	133	174	145	40,189
Soybeans	310	13,046	13,423	97	180	147	22,683
Total	**1,685**	**67,019**	**59,837**	**112**	**126**	**107**	**88,428**

[1] Includes weekly revisions

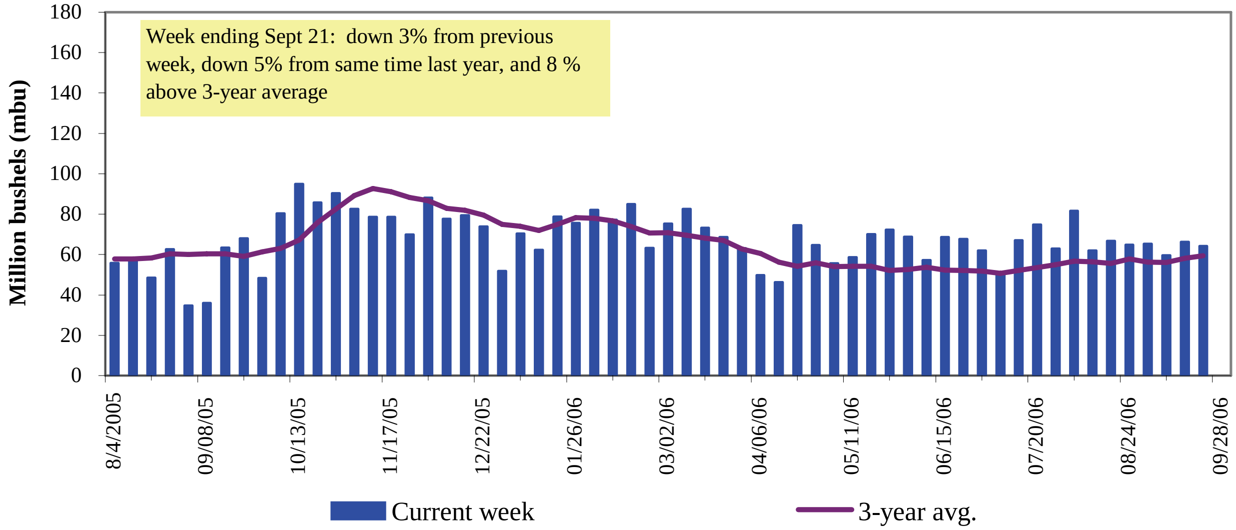
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

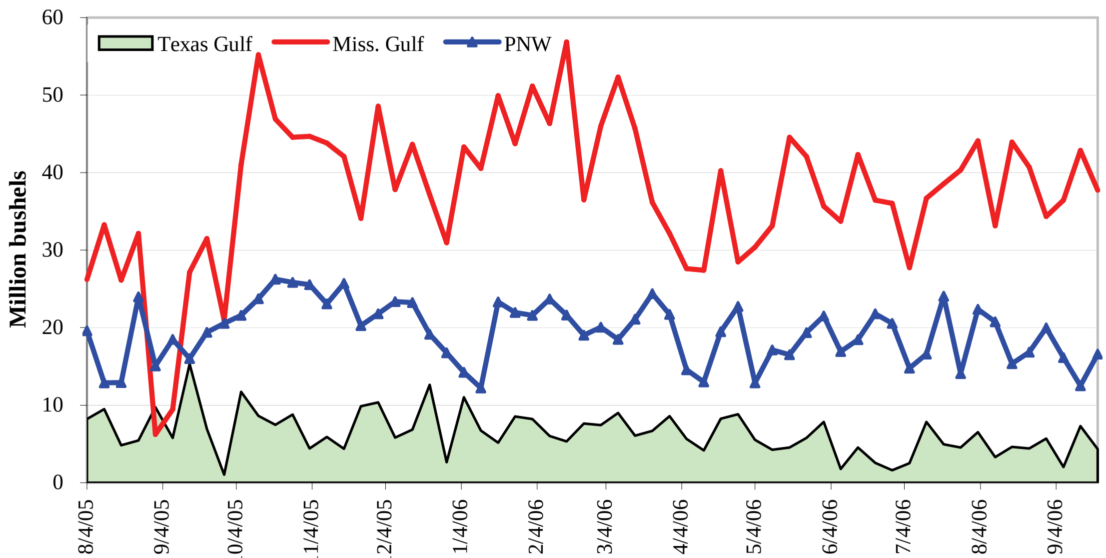


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Sep. 21, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 12	down 40	down 16	up 33
Last year (same week)	down 20	down 37	up 9.5	down 15
3-yr avg. (4-wk run. avg)	up 23	down 43	up 10	up 1.5

Ocean Transportation

Table 17

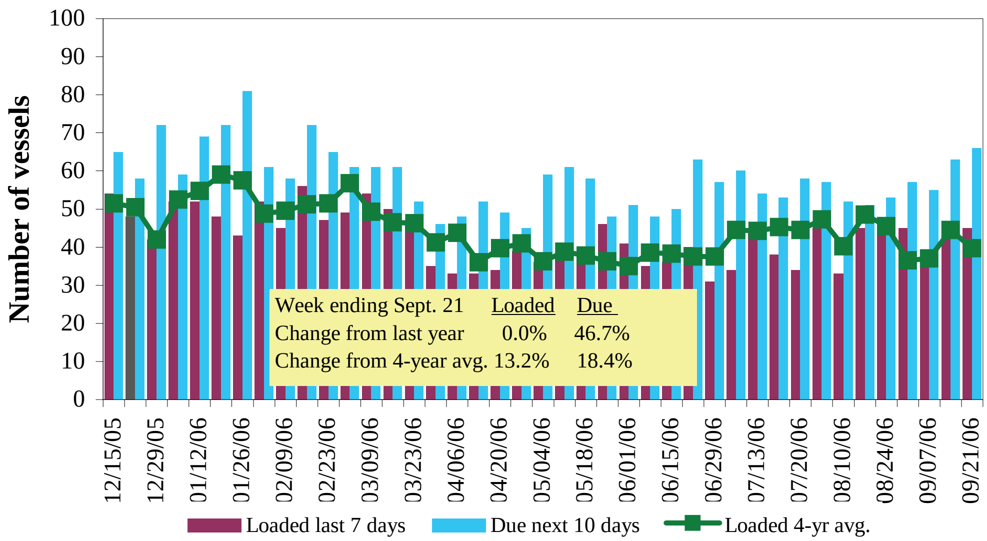
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
9/21/2006	33	45	66	9	9
9/14/2006	29	46	63	5	6
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

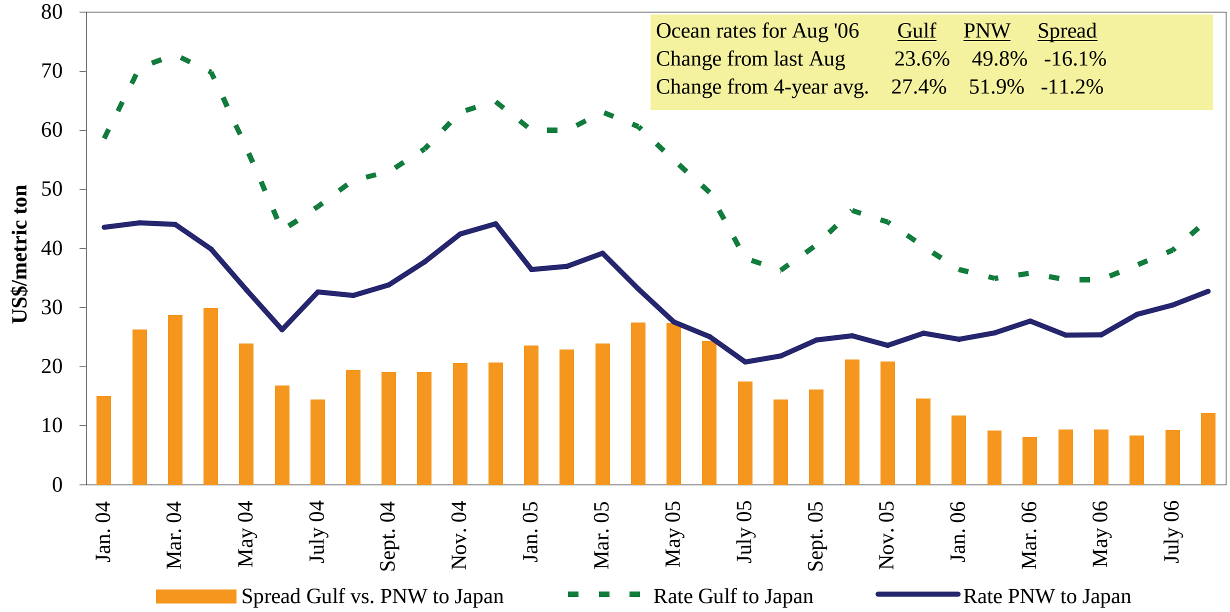
U.S. Gulf[1] Vessel Loading Activity, 2005/06



Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

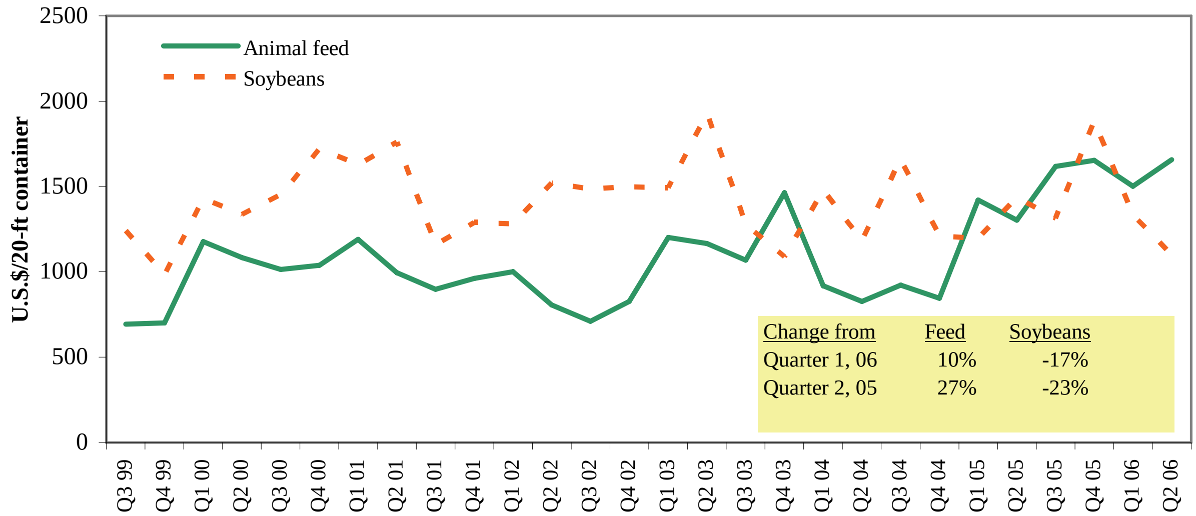
Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 9/23/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
U.S. Gulf	Kenya/Tanzania	Maize	Sept 15/25	4000/ 9000	74.46/ 81.46
Canada	China	Barley	Sept 15/25	50,000	39.75
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	July 28/30	25,000	41.50
River Plate	Poland	Hvy Grain	Aug 1/ 10	30,000	44.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



[1]Rates are weighted by shipping line market share and destination country.

Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)

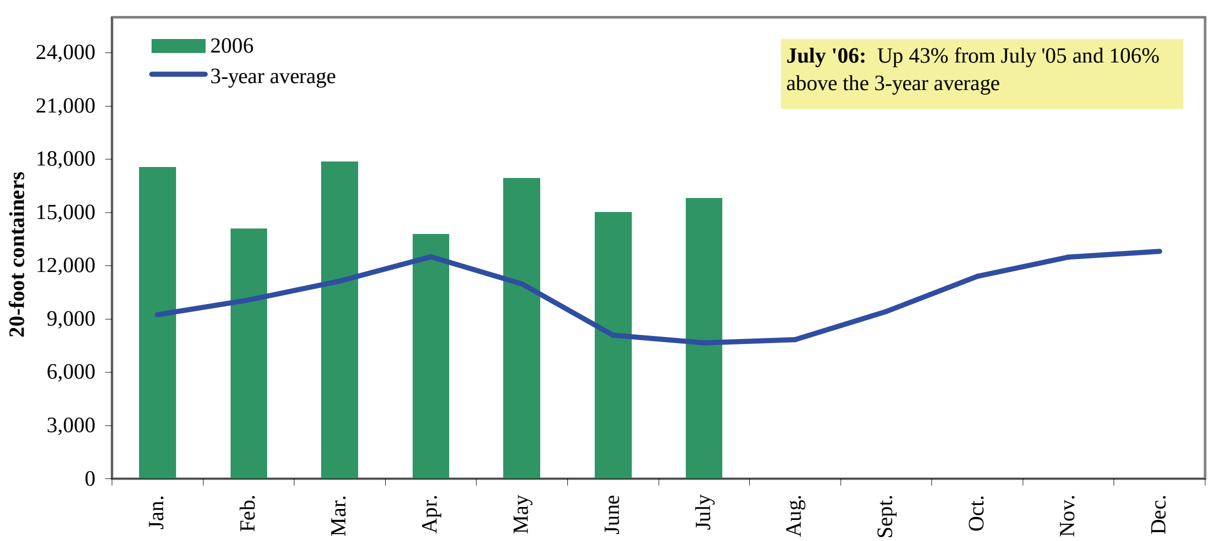
Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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